AMENDMENTS TO THE CLAIMS

Please amend the claims as follows.

1. (Currently Amended) An insert for a drill bit comprising:

a diamond-impregnated insert body; and

a thermally stable shearing portion disposed on said diamond-impregnated insert body, wherein the thermally stable shearing portion comprises thermally stable polycrystalline diamond, and wherein at least a portion of the diamond-impregnated insert body and at least a portion of the thermally stable shearing portion form a leading edge of the insert.

2. (Cancelled)

- 3. (Previously Presented) The insert of claim 1, further comprising a bonding portion disposed between at least a portion of said diamond-impregnated insert body and said thermally stable shearing portion.
- 4. (Original) The insert of claim 3, wherein said bonding portion comprises tungsten carbide.
- 5. (Previously Presented) The insert of claim 1, further comprising an outer layer disposed on said diamond-impregnated insert body.
- 6. (Original) The insert of claim 5, wherein said outer layer comprises a tungsten carbide layer.
- 7. (Previously Presented) The insert of claim 1, wherein said diamond-impregnated insert body comprises thermally stable polycrystalline diamond.
- 8. (Previously Presented) The insert of claim 1, wherein said thermally stable shearing portion is disposed on said diamond-impregnated insert body post-infiltration.
- 9. (Cancelled)
- 10. (Cancelled)

11. (Previously Presented) The insert of claim 1, further comprising a wear portion disposed on a surface of said diamond-impregnated insert body.

- 12. (Previously Presented) The insert of claim 1, wherein said thermally stable shearing portion further comprises a coating.
- 13. (Original) The insert of claim 12, wherein said coating comprises at least one selected from the group consisting of a titanium based coating, a tungsten based coating, and a nickel based coating.
- 14. (Previously Presented) The insert of claim 1, wherein the diamond-impregnated insert_body comprises coated natural diamond.
- 15. (Original) The insert of claim 14, wherein at least a portion of the natural diamond is 1 carat in size.
- 16. (Currently Amended) A drill bit comprising:
 - a bit body having at least one blade thereon; and
 - at least one cutting element disposed on the at least one blade, wherein the at least one cutting element comprises a diamond-impregnated insert body;
 - and a thermally stable shearing portion disposed on said diamond-impregnated insert body, wherein the thermally stable shearing portion comprises thermally stable polycrystalline diamond, and wherein at least a portion of the diamond-impregnated insert body and at least a portion of the thermally stable shearing portion form a leading edge of the insert.

17. (Cancelled)

- 18. (Currently Amended) A drill bit, comprising:
 - a bit body; and
 - a plurality of inserts affixed to said bit body, at least one of said plurality of inserts having a diamond-impregnated insert body and a thermally stable shearing portion disposed on said diamond-impregnated insert body, wherein the thermally stable shearing portion comprises thermally stable polycrystalline diamond, and

wherein at least a portion of the diamond-impregnated insert body and at least a portion of the thermally stable shearing portion form a leading edge of the insert.

- 19. (Original) The bit of claim 18, wherein a total exposure of said diamond-impregnated insert body to temperatures above 1000° F is greater than a total exposure of said shearing portion to temperatures above 1000° F.
- 20. (Original) The bit of claim 18, wherein at least a portion of said bit body is diamond-impregnated.
- 21. (Original) The bit of claim 18, wherein the bit body comprises infiltrated diamond-impregnated tungsten carbide matrix.
- 22. (Previously Presented) The insert of claim 18, wherein said diamond-impregnated insert body comprises thermally stable polycrystalline diamond.
- 23. (Previously Presented) The bit of claim 18, further comprising a bonding portion disposed between at least a portion of said diamond-impregnated insert body and said thermally stable shearing portion.
- 24. (Original) The bit of claim 23, wherein said bonding portion comprises tungsten carbide.
- 25. (Original) The bit of claim 18, further comprising an outer layer disposed on said diamond-impregnated insert body.
- 26. (Original) The bit of claim 25, wherein said outer layer comprises a tungsten carbide layer.
- 27. (Cancelled)
- 28. (Original) The bit of claim 18, further comprising a wear portion disposed on a surface of said diamond-impregnated insert body.
- 29. (Original) The bit of claim 18, wherein said shearing portion further comprises a coating.
- 30. (Original) The bit of claim 29, wherein said coating comprises at least one selected from the group consisting of a titanium based coating, a tungsten based coating, and a nickel based coating.

31.-39. (Cancelled)

40. (Currently Amended) A method of drilling a mixed formation comprising:

contacting a bit with the mixed formation, wherein the bit comprises a bit body; and
a plurality of inserts affixed to said bit body, at least one of said inserts having a diamond
impregnated insert body and a thermally stable shearing portion disposed on said
diamond impregnated insert body, wherein the thermally stable shearing portion
comprises thermally stable polycrystalline diamond, and wherein at least a
portion of the diamond-impregnated insert body and at least a portion of the
thermally stable shearing portion form a leading edge of the insert.

- 41. (Currently Amended) A composite cutting element for a drill bit comprising:
 - an abrasive insert body having a mixture of ultra-hard material and a less abrasion resistant matrix material eemented together, wherein the ultra-hard material is impregnated in the matrix of the less abrasion resistant material; and
 - a thermally stable shearing element on said insert body, wherein the thermally stable shearing portion comprises thermally stable polycrystalline diamond, and wherein at least a portion of the abrasive insert body and at least a portion of the thermally stable shearing portion form a leading edge of the insert.
- 42. (Original) The composite cutting element of claim 41 wherein the relative abrasion resistance of the ultra-hard material and the matrix material vary depending on the formation compressive strength and abrasivity and also on the size of the ultra-hard material
- 43. (Original) The composite cutting element of claim 41 wherein the ultra-hard materials comprises at least one selected from the group consisting of diamond crystals, cubic boron nitride crystals, polycrystalline diamond or polycrystalline cubic nitride crystals.
- 44. (Original) The composite cutting element of claim 41 wherein the matrix material consists of carbides, nitrides, borides or mixtures thereof.
- 45. (Previously Presented) The composite cutting element of claim 41 wherein the ultra hard material is diamond crystals and the matrix material is cubic boron nitride_crystals cemented

with at least one compound selected from the group consisting of carbides, borides, and nitrides.

- 46. (Previously Presented) The composite cutting element of claim 41 wherein a diamond concentration and a diamond particle size in the abrasive insert body and the thermally stable shearing element depends on the abrasivity and compressive strength of the formation being drilled.
- 47. (Previously Presented) The composite cutting element of claim 46, wherein the diamond concentration in the abrasive insert body is selectively varied.